

To Modernize U.S. Financial Markets and Cut Costs, SEC Launches ‘Project Crypto’

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The U.S. Securities and Exchange Commission (SEC) on Thursday unveiled “Project Crypto,” an initiative aimed at modernizing securities regulations to support blockchain-based trading. The move marks a significant step toward integrating digital assets into the U.S. financial system, as the agency seeks to adapt longstanding rules to a rapidly evolving technological landscape.

SEC Chair Paul Atkins introduced the initiative during the “American Leadership in the Digital Finance Revolution” conference, emphasizing the importance of updating federal regulations to meet the growing demand for on-chain financial infrastructure. Atkins said the Commission is focused on removing regulatory barriers that discourage innovation, warning that rigid, outdated frameworks risk driving emerging crypto firms offshore. “Federal securities laws have always assumed the involvement of intermediaries,” Atkins said. “But this does not mean we should force intermediation where markets can function without it.”

Tokenization, the process of issuing digital representations of securities or real-world assets on a blockchain, has gained considerable traction among institutional investors. These blockchain tokens do not confer direct ownership of the underlying assets, but rather serve as digitized claims that can be traded more efficiently. Asset management firms, including BlackRock, have endorsed the concept. CEO Larry Fink recently described tokenization as a major component of the “technological revolution in the financial markets.”

Several crypto trading platforms, such as Robinhood, Gemini, and Kraken, have already introduced tokenized equity offerings to international users. Coinbase, a major U.S.-based exchange, is reportedly seeking SEC approval to provide similar services domestically. The push for on-chain innovation reflects broader industry trends aimed at reducing friction, improving transparency, and cutting costs in capital markets.

Atkins also underscored his support for the development of “super apps,” digital platforms that consolidate multiple services into a single interface. These apps, popularized in Asia through companies like WeChat and Alipay, are seen as a potential game-changer for financial technology in the U.S. Atkins noted that Coinbase recently launched such an app, and stressed the need for a streamlined regulatory framework to help similar platforms grow without overlapping oversight from multiple agencies.

The timing of the SEC’s announcement is notable, arriving just one day after the President’s Working Group on Digital Asset Markets issued a long-anticipated report urging federal agencies to coordinate efforts to strengthen America’s leadership in digital finance. In response, Atkins said he has instructed the SEC’s Crypto Task Force, led by Commissioner Hester Peirce, to begin implementing the group’s recommendations.

The Thursday conference was hosted by the America First Policy Institute, a think tank founded in 2021 to advance former President Donald Trump’s policy platform. The institute

is currently led by Brooke Rollins, now Secretary of Agriculture, and Larry Kudlow, who previously served as Director of the National Economic Council.